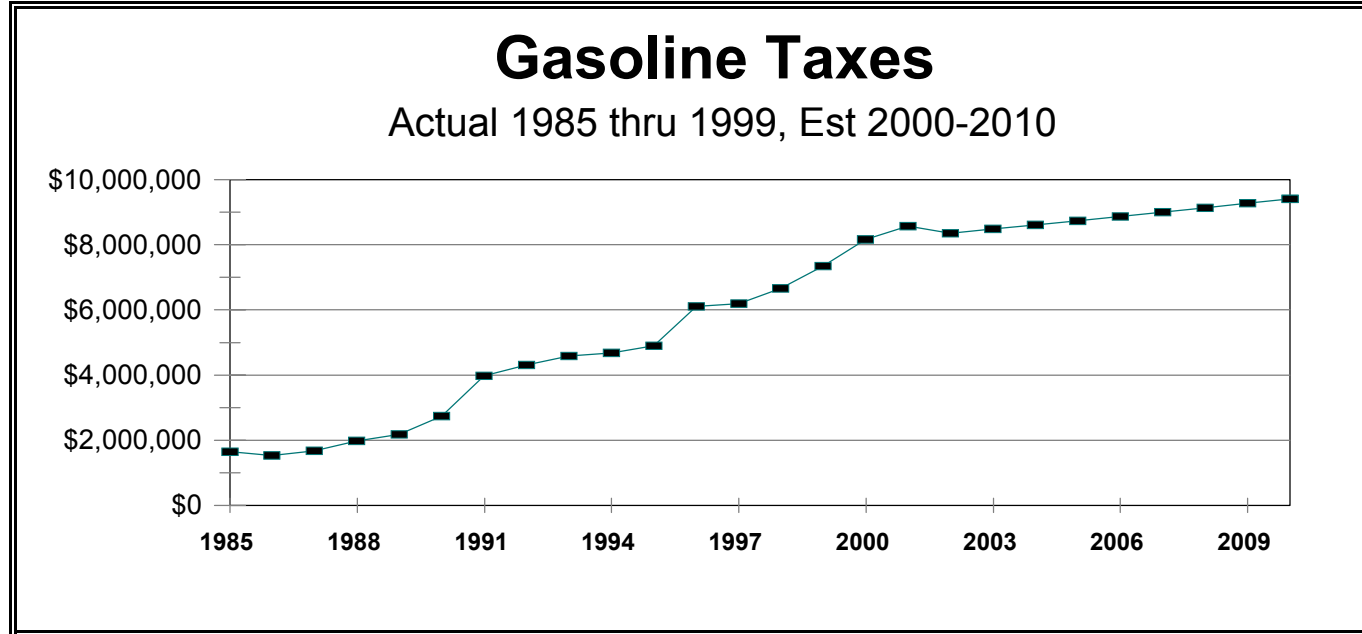


generated by this tax is being used to repair and replace deteriorating bridges within St. Lucie County. Last year the Board voted to impose the additional 3 cents and expand the intended use to include all transportation related improvements.

Total gas tax revenues have increased an average of 9.2% each year since 1985 and

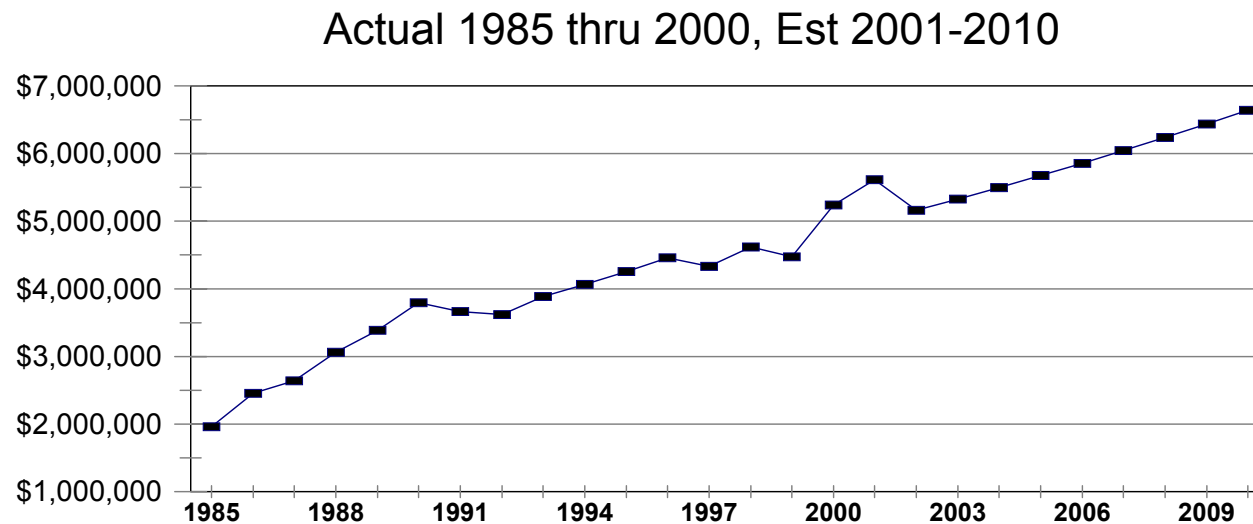
although that rate has been stable for the past five years, it must be noted that the Board imposed the additional Local Option Gas Taxes during that time. Additionally, the portion of Local Option Gas Tax revenues allocated to the County has decreased 13.4% over the past five years as the cities of Port St. Lucie and Fort Pierce have increased their expenditures. This trend is expected to continue. Additionally, the tourist industry in Florida has suffered significantly since the terrorist attacks.

Assumptions & Projections: Local Option Gas Taxes comprise nearly 48% of the total gas tax revenue the County receives each year. After considering the expected reduction in Local Option Gas Tax revenue due to the allocation formula, staff expected a modest annual growth of 3% in total gas tax revenue. Although it is difficult to predict how much the slowdown in tourism will impact the revenue from Gas Taxes, staff anticipates an immediate 5% reduction in revenue and has revised the estimated annual growth to 1.5%.



Half-Cent Sales Tax

Local Governments receive a share of the State sales tax collections which is roughly equal to, and is referred to as, the “Half-Cent” Sales Tax. It generates the largest amount of revenue for local governments than any other of the State shared revenue programs. These revenues may be used for county-wide programs. During the past two sessions, the Florida Legislature has reduced and eliminated the State Intangibles Tax which is the major source of the funds distributed to the counties.



this will have on the counties, the legislature has indicated they will replace the loss in revenue with an increase in sales tax revenue using a base year of 1999-2000.

Discussion & Concerns: The St. Lucie County Board of County commissioners are confronting serious economic issues. Indicative of these challenges is the fact that during the longest period of economic expansion in US history, the County's allocation of revenues from the Half-Cent Sales Tax only grew an average of 2% annually. A comparison between the total annual State distributions and the annual amount allocated to St. Lucie County from 1995 through 1999 reveals that total distributions from the State grew 6.5% per year while the portion allocated to St. Lucie County grew an

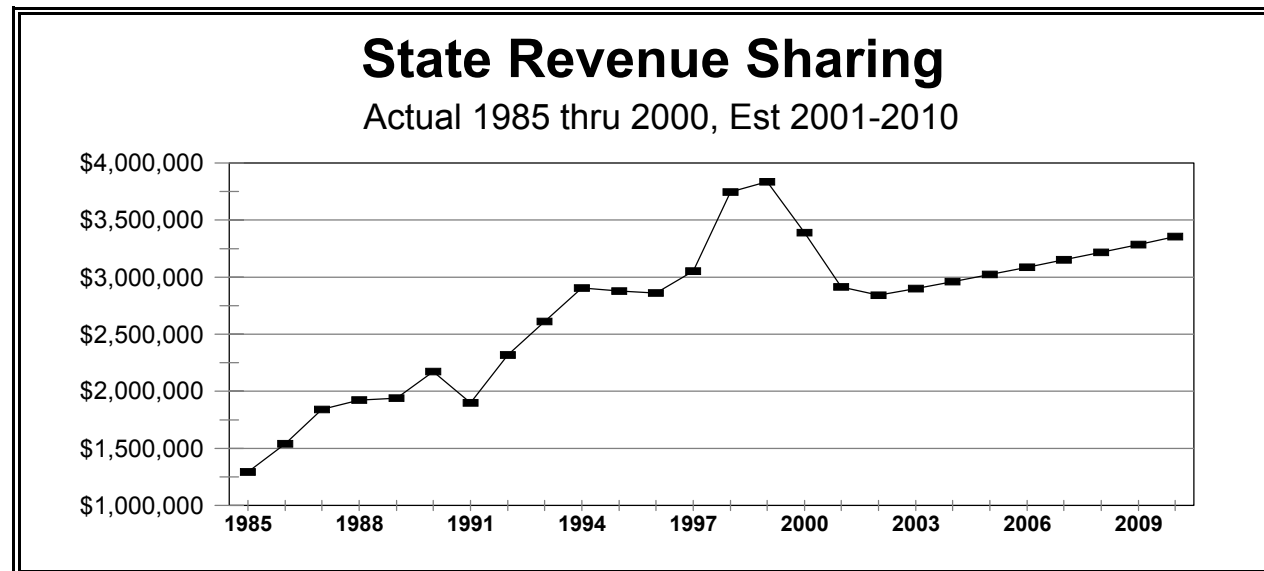
average of 1.3% per year. Even more alarming is the fact that during the years of 1997 and 1999 the portion allocated to the County actually decreased. Over the past year the economy has slowed considerably and mixed, most economists expect a slower than anticipated recovery.

Assumptions & Projections: The County has seen some improvement as a result of the increased emphasis on economic development, however this is a long-term process. The goal of attracting viable businesses to the area, raising the local economy to a level that will increase the discretionary income of county residents, and encouraging them to spend those dollars within the county will take years to achieve. Staff projects a 2.2% annual increase in Half-Cent Sales Tax revenue through Fiscal Year 2005 followed by an additional 1% increase.

State Shared Revenue

The Florida State Department of Revenue uses an established formula to apportion to each eligible county a certain amount of revenue collected from cigarette and intangible taxes levied by the State. The formula is based on county population, unincorporated population, and county sales tax collections. Distributions are usually consistent from month to month with the exception of July when the State makes an annual adjustment based on the past fiscal year collections.

Discussion & Concerns: Beginning in Fiscal Year 1999 the State Legislature reduced and eventually eliminated the Intangibles



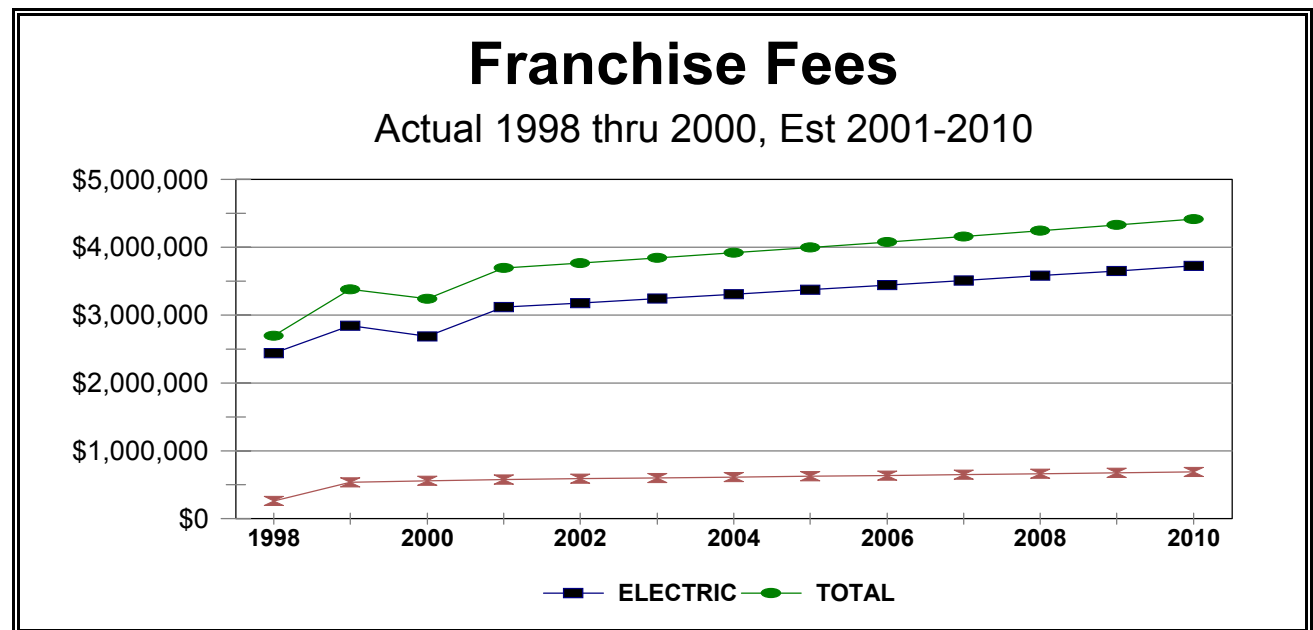
Tax - the main source of Shared Revenue receipts allocated to the counties. In preparing the Fiscal Year 2000 budget, staff anticipated the reduction and the State Department of Revenue confirmed it when they issued the annual Local Government Financial Information Handbook which contained the lower estimates. During the Fiscal Year 2000 session, legislators agreed to replace most of the lost revenue with an increase in State sales tax distributions using Fiscal Year 1999-2000 as the base year.

Since Fiscal Year 1985, revenues from the State's "County Revenue Sharing Program" have averaged an annual growth of 7.7%. Recently, however, the growth rate has slowed to an average of 5.7% between Fiscal Years 1994 and 1999.

Assumptions & Projections: The terrorist attack in September has adversely affected Florida's economy. As a result, staff predicts a slight decrease in State Shared Revenue this fiscal year, but because St. Lucie County is one of the fastest growing areas in the State, staff anticipates the positive trend to continue next fiscal year but at a lower rate. The projections for Fiscal Years 2003 through 2005 reflect a 2.6% average annual increase improving to 4.5% in FY2006.

Franchise and Privilege Fees

The County negotiated agreements with the Florida Power and Light Company, the Fort Pierce Utilities Authority, Adelphia and TCI Cable companies allowing each a non-exclusive franchise to operate facilities within County rights-of-ways in the unincorporated areas of the County. In consideration for the franchise, each entity has agreed to pay a franchise fee to the County. This fee is an agreed upon percentage of



their revenues, less actual write-offs, which are 'billed' to customers living within the unincorporated area of the County. Revenues generated through Franchise and Privilege Fees are used to fund projects primarily in the unincorporated area of the County designed to upgrade or expand facilities and infrastructure.

Discussion & Concerns: The recently enacted Communications Services Tax Simplification Law, Chapter 00-260 Laws of Florida (the Communications Tax Law) combines current State and local taxes under a single law administered by the Florida Department of Revenue (DOR). Beginning October 1, 2001, all communication services will be taxed at the same rate. The Communications Tax Law repeals all State, county, and municipal taxes and fees on communications services and replaces them with a new, simplified communications services tax.

Assumptions & Projections: St. Lucie County began collecting Franchise and Privilege Fees in Fiscal Year 1998, therefore, there is not enough historical data to adequately analyze this source of revenue. It is assumed that revenue generated by the Communications Tax Law will have a neutral effect on this revenue stream, therefore, projections are based on a 2% annual growth which reflects the expected increase as the County population increases.

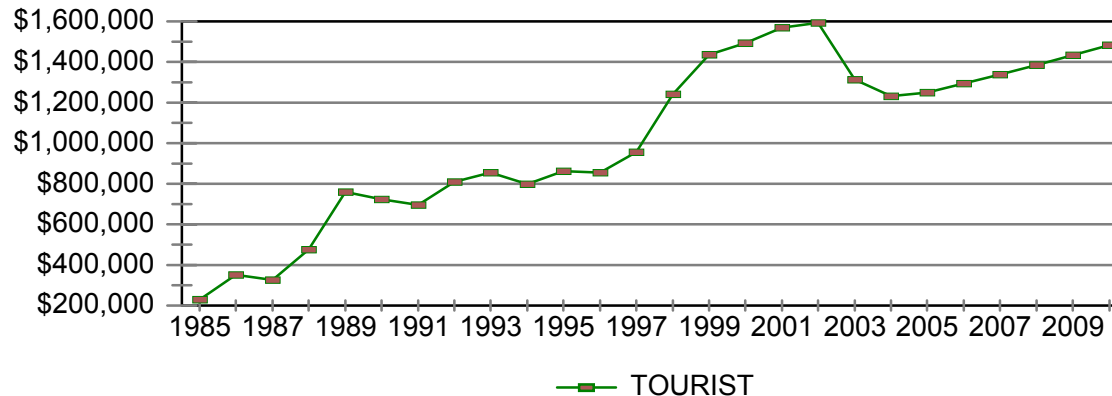
Tourist Development Tax

In 1984 the county's voters approved a referendum levying a two cent Tourist Development Tax. Revenue from these two cents are pledged to pay for the St. Lucie County Sports Complex operations and to the extent available, to pay for debt service on industrial revenue bonds issued to finance construction of the stadium complex. In 1987, the Board of County Commissioners adopted Ordinance No. 87-82 levying a third cent tourist development tax to promote and advertise tourism in St. Lucie County. By adopting Ordinance No. 97-14 in 1997, the Board levied a fourth cent for the express purpose of paying debt service on bonds issued to finance the renovation of the St. Lucie County Sports Complex. The fourth cent levy expires on December 31, 2002.

Discussion & Concerns: Generally, collections of the Tourist Development Tax have shown a positive trend and

Tourist Development Tax

Actual 1985- 2000, Est 2001-2010

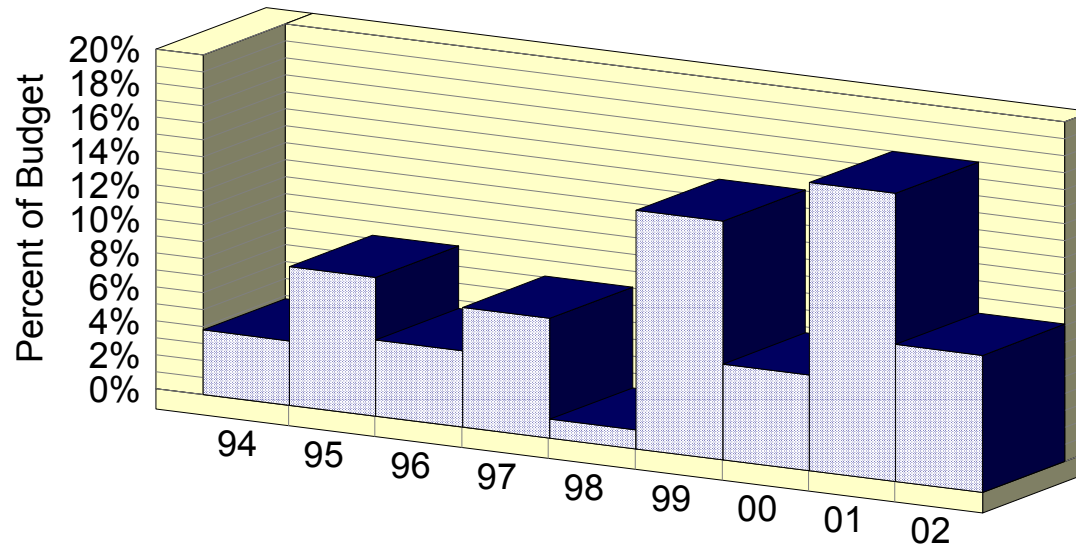


considering the fact that St. Lucie County is adding new attractions such as the St. Lucie Marine Center which houses Smithsonian Marine Ecosystem Exhibit, a new Fairgrounds with an Equestrian Arena and the Oxbow (Children's) Environmental Learning Center we expect this to continue. In addition to new facilities, the county's aggressive 'Investment for the Future' program has resulted in improved access to the

local beaches, construction of additional boat ramps and improvements to existing ones, all of which will attract additional visitors. Although the initial ordinance did not establish a termination date the Attorney's Office believes the wording in State law is such that one could argue the point that the tax should end after the debt is satisfied. The wording has since been clarified, however the County Attorney is reviewing the matter to insure no further action is necessary.

Assumptions & Projections: Since the Tourist Development Tax was approved in 1985 collections have averaged an annual increase of 5.15%. That rate has increased to an annual average of 5.53% over the past five years. Realizing that this source of revenue is highly correlated with the tourist industry and the State of the economy, staff anticipates a significant decrease in the annual rate of increase beginning with this Fiscal Year. Projections include a slight annual increase of 1.5% through Fiscal Year 2005 improving to 3.5% in the fiscal years thereafter.

GENERAL AND FINE & FORFEITURE FUND



The General and Fine & Forfeiture Funds are the major operating funds for the County. The unrestricted reserves for these funds serve as the emergency reserve for general county operations. Unrestricted reserves were at 1.13% of the total operating budget in 1998, and are now projected to be 8%.

The 1997, 1998 and 2000 reserve levels are net of amounts restricted to offset potential non-payment of contested taxes by Florida Power and Light. The re-establishment of acceptable reserve levels in FY 99 and FY01 was made possible by a combination of fiscal restraint on behalf of the departments, higher than anticipated receipt of revenues and settlements with FPL over disputed valuations during fiscal years 1998 and 2000. As evidenced by the decrease in fiscal year 2002, a portion of these reserves were used to fund operations, maintenance, and equipment purchases and capital projects that have been postponed for years.

ST. LUCIE COUNTY - BOARD OF COUNTY COMMISSIONERS
PERSONNEL HISTORY REPORT
FISCAL YEAR 1993 - FISCAL YEAR 2002

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001	2001-2002	% CHANGE
GENERAL GOVERNMENT											
Commission	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0%
County Administrator	6.00	6.00	6.00	7.00	6.00	6.00	6.00	6.00	7.00	10.00	43%
County Attorney	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	0%
Information Technology	38.00	39.00	40.00	40.50	41.00	43.50	43.50	44.50	47.50	47.50	0%
Total General Government	61.00	62.00	62.00	63.50	63.00	65.50	65.50	66.50	70.50	73.50	4%
ADMINISTRATIVE SERVICES											
Management and Budget	3.00	5.00	5.00	7.00	7.00	7.00	7.00	7.00	8.00	11.00	38%
Human Resources/Risk Mgt	4.20	5.20	6.20	6.20	6.20	6.25	7.25	9.25	9.25	10.25	11%
Purchasing	6.00	6.00	7.00	7.00	8.00	9.00	9.00	8.50	8.50	8.50	0%
Central Services	61.00	60.00	63.00	58.00	51.00	48.00	50.00	49.00	74.00	82.00	11%
Total Administrative Services	74.20	76.20	81.20	78.20	72.20	70.25	73.25	73.75	99.75	111.75	12%
COMMUNITY DEVELOPMENT											
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	0%
Growth Management	14.00	15.00	15.00	15.00	15.00	15.00	0.00	0.00	0.00	0.00	N/A
*Planning	14.00	14.00	15.00	13.00	14.00	14.00	18.00	9.00	11.00	13.00	18%
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	4.00	4.00	0%
*Mapping/Technical Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	3.00	5.00	67%
Resource Protection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00	0.00	N/A
Tourism	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.50	2.50	4.00	60%
Total Community Development	33.00	34.00	35.00	33.10	34.10	34.10	27.10	27.50	24.50	30.00	22%
AGRICULTURE	11.90	11.60	11.60	12.10	12.10	11.60	11.60	14.40	14.90	16.30	9%
COMMUNITY SERVICES	5.00	5.00	5.00	5.20	5.20	5.20	5.20	6.20	6.20	7.20	16%
PUBLIC SAFETY											
Central Communications	46.00	46.00	46.00	46.00	49.00	49.00	49.00	49.00	50.00	50.00	0%
Emergency Management	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	0%
Animal Control	3.30	3.30	3.30	3.60	3.60	3.60	3.60	3.60	3.60	3.60	0%
RAD	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0%
*Marine Safety	17.00	13.00	13.00	13.00	13.00	13.00	14.00	13.00	13.00	13.00	0%
Total Public Safety	72.30	68.30	68.30	68.60	71.60	71.60	72.60	70.60	71.60	71.60	0%
VETERANS	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.80	6.80	7.55	11%
PARKS AND RECREATION											
*Administration	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0%
Marine Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.50	50%
Ecosystems	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A
Environmental Lands	0.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	0.00	0.00	N/A
*Civic Center	15.00	15.00	15.00	15.25	15.25	15.25	13.25	13.25	11.80	11.25	-5%
Museums	5.60	5.60	5.60	5.60	5.60	3.60	4.10	3.85	3.85	4.35	13%

**ST. LUCIE COUNTY
FISCAL YEAR 2001-2002 BUDGET
BUDGET BY FUND**

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ST. LUCIE COUNTY - BOARD OF COUNTY COMMISSIONERS
PERSONNEL HISTORY REPORT
FISCAL YEAR 1993 - FISCAL YEAR 2002

*Civic Center	15.00	15.00	15.00	15.25	15.25	15.25	13.25	13.25	11.80	11.25	-5%
Museums	5.60	5.60	5.60	5.60	5.60	3.60	4.10	3.85	3.85	4.35	13%
Children's Environmental Museums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	N/A
Parks	61.00	61.00	61.00	61.00	61.00	61.00	60.00	60.00	60.00	65.04	8%
Recreation	13.75	23.05	23.05	22.85	22.85	24.80	24.80	25.80	25.80	27.80	8%
Savannas	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.90	3.90	0%
Golf Course	27.60	29.10	26.35	25.35	23.50	24.00	24.00	25.00	25.00	25.00	0%
Sports Complex	3.20	10.20	9.20	8.50	12.00	12.00	12.00	12.00	12.00	13.88	16%
Total Leisure Services	133.35	151.15	147.40	146.75	149.40	149.85	147.35	151.10	148.35	157.72	6%
LIBRARY	60.40	63.40	66.80	66.40	66.40	67.80	67.80	67.80	67.80	71.20	5%
MOSQUITO CONTROL	23.60	22.60	22.60	22.60	22.60	24.50	23.50	23.50	22.50	22.50	0%
PORT AND AIRPORT											
Airport	7.00	7.00	7.00	7.00	6.00	7.00	5.00	5.00	5.00	7.00	40%
Port	1.00	1.00	1.00	1.00	1.00	1.60	1.60	0.00	0.00	0.00	N/A
Total Port and Airport	8.00	8.00	8.00	8.00	7.00	8.60	6.60	5.00	5.00	7.00	40%
PUBLIC WORKS											
Administration	3.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0%
Engineering	21.00	20.00	21.25	22.25	22.25	22.25	23.25	23.00	23.00	23.25	1%
Erosion Control	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0%
*Bldg. & Zoning	16.00	16.00	16.00	17.00	17.00	17.00	25.00	33.00	35.55	36.55	3%
Solid Waste	31.00	32.00	32.00	33.00	31.00	29.00	29.00	29.00	32.00	32.00	0%
Recycling	0.00	0.00	2.00	2.75	4.00	2.00	2.00	2.00	0.00	0.00	N/A
Road & Bridge	86.00	86.00	88.00	85.00	83.00	79.00	76.00	75.00	74.00	74.00	0%
Stormwater MSTU	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	0%
Environmental Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	N/A
Environmental Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	4.00	33%
Children's Environmental Museums	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00	50%
Ecosystems	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00	50%
Total Public Works	157.00	158.00	164.25	163.00	160.25	155.25	161.25	168.00	177.55	183.80	4%
UTILITIES											
Utilities Operations	0.00	0.00	2.00	2.75	4.00	4.00	5.00	5.00	6.00	7.33	22%
TOTAL POSITIONS APPROVED:	645.75	666.25	680.15	676.20	673.85	674.25	672.75	686.15	721.45	767.45	6%
PERCENT CHANGE EACH YEAR	-7.64%	3.17%	2.09%	-0.58%	-0.35%	0.06%	-0.22%	1.99%	5.14%	11.85%	

EMPLOYEES PER 1,000 CAPITA ESTIMATE

3.35 3.46 3.53 3.51 3.50 3.50 3.49 3.56 3.74 3.98